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APPROVAL IS CITED IN SHIN BETH CASE

By THOMAS L. FRIEDMAN Special to The New York Times

JERUSALEM, June 30 — The former head of Shin Beth, Israel's domestic intelligence service, confirmed for the first time today that he had approval from his political superiors for his actions in the case of two captured Palestinian bus hisacters who were beaten to death in 1984.

The religious legicous he referred to

The political superiors he referred to are believed to include the Foreign Minister, Yitzhak Shamir of the Likud bloc, who was Prime Minister at the

time of the incident.

Meanwhile, Prime Minister Shimon
Peres, who leads the Labor Party, said
he would welcome a full investigation
of the conduct of ranking political officials in the case.

Law enforcement officals had accused the Shin Beth head, Avraham Shalom, of ordering the deaths of the two Palestinians and of organizing a cover-up. Mr. Shalom resigned last week in exchange for immunity from prosecution.

Peres Addresses Parliament

Mr. Peres spoke in a 45-minute address to Parliament in which he explained his actions regarding the Shin Beth scandal and, in effect, challenged Foreign Minister Shamir to do the same. Mr. Shamir is scheduled to switch jobs with Prime Minister Peres in October under an agreement between Labor and Likud.

"I, as a member of the political echelon, have nothing to hide and I am prepared to be investigted by a legal commission," Mr. Peres said. "I don't want to walk around with any question marks on my head."

The Prime Minister also hinted that the killing of the bus hijackers was not the first potentially illegal action of the domestic intelligence service.

Mr. Shalom's statement implicating unnamed superiors was contained in a brief filed today by Attorney General Yosef Harish in a hearing before the Israeli Supreme Court. The court is considering five requests to nullify President Chaim Herzog's action in granting Mr. Shalom and three of his deputies immunity from prosecution in the case. No decision was handed down.

'With Permission and Authority'

The former head of Shin Beth said that all his actions relating to the April 1984 bus hijacking and subsequent investigations "were done with permission and authority in order to preserve the security of the state and prevent the disclosure of its most guarded secrets."

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Mr. Shalom's statement was contained in his appeal to the President for amnesty and it became public in an appendix to Attorney General Harish's brief defending the President's action. In the amnesty request, Mr. Shalom disked the President for immunity from prosecution for "killing people, suborning witnesses and the disruption of legal procedures." The Israeli radio noted, however, that Mr. Shalom did not directly admit to having committed those crimes.

Nonetheless, it was the first confirmation by Mr. Shalom of persistent reports in the Israeli press that his actions in the case, in which he has been accused of covering up a Shin Beth role in killing the two hijackers, were taken with the approval of higher political authority.

Mr. Shalom, like all Shin Beth chiefs, reported directly and exclusively to the Prime Minister, who was his only superior. Mr. Shamir was Prime Minister when the hijackers were killed and the reported cover-up began.

In his address to Parliament, Mr. Peres sought to explain the logic and

legality of his actions regarding the scandal. He told reporters again today that his "conscience is clean," but he declined to go into specifics, citing national security considerations.

Since Mr. Shalom and three subordinates have received amnesty and Mr. Shalom has resigned, the current debate between Labor and Likud is only about whether a new investigation, into the behavior of political figures, should be ordered.

Labor argues that if the Shin Beth chief had to resign for misdeeds, but had approval from political superiors for what he did, then his superiors should also be held accountable. Likud argues that any further investigation would only expose more of Shin Beth's secret workings and demoralize the agency. Likud contends that Mr. Peres and his colleagues want an investigation only in order to upset the power-sharing agreement between Mr. Peres and Mr. Shamir.

Three Commissions of Inquiry

Mr. Peres, in his Parliament speech, which was made in response to five unsuccessful motions of no-confidence, recounted the history of the Shin Beth affair. He began by noting that after the two captured hijackers, the cousins Majdi and Subhi Abu-Jumaa, were killed, the Government set up three commissions of inquiry to determine how they had died.

All had been established and one had completed its work when Mr. Peres became Prime Minister in September 1984. Assertions that Shin Beth tampered with evidence and with witnesses centered on its appearances before two Government commissions, and before an internal Shin Beth investigation conducted while Mr. Peres was in office.

"The whole story was in legal proceedings at the time I became Prime Minister," Mr. Peres said. He added that Mr. Shamir did not brief him about Shin Beth's handing of the inquiries.

'I Had No Idea'

"When I came into office I did not think I had the right, or the duty, to look into affairs that were handled before," Mr. Peres said. "I think it is unhealthy of a Prime Minister to meddle into the affairs of his predecessors. I had no idea about what happened from a legal point of view. I had no idea of prima facie suspicions that false testimony was being given."

Mr. Peres said he first discovered that something might be amiss on Oct. 29, 1985, when Reuven Hazak, the deputy chief of Shin Beth, came to see

him at a time when his superior, Mr. Shalom, was out of the country on a five-week vacation.

"Reuven Hazak told me that he had some doubts about what happened in the bus affair," Mr. Peres said. "He told me that there were some misdeeds in the bus affair and after it. The conversation was very short."

Mr. Peres said he asked Mr. Hazak:
"Why did you just remember today? If
wrongs were done, why didn't you prevent it a long time ago?"
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After considering Mr. Hazak's information for a week, Mr. Peres said he decided that he had no reason to doubt Mr. Shalom's credibility. Given the clear conflict between Mr. Hazak and his superior, Mr. Peres suggested that Mr. Hazak should leave the service, which he did.

Mr. Peres made clear, however, that for three and a half months, he apparently told no one about Mr. Hazak's assertions concerning Mr. Shalom, apparently because he felt the matter had been fully investigated by the Government commissions.

This was seen as the most sensitive point in Mr. Peres's account because it meant, in effect, that he was aware that serious crimes might have been committed and did nothing about it.

However, the Attorney General at the time, Yitzhak Zamir, found out on his own and amassed a file of evidence, primarily by interviewing Mr. Hazak and two other senior Shin Beth officials.